

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AGR-10 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 L-03 NSC-05 SS-15

STR-04 CEA-01 /104 W

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P R 072145Z AUG 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 6236

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

UNCLAS LIMA 6390

FOR: AID/W (R. CRISLER LA/DR)

EO 11652: N/A

TAGS: EAID, ECIN, TECH

SUBJECT: ANDEAN PACT; REQUEST FOR U.S. ASSISTANCE

REF: (A) LIMA A-173, 7/19/74 (B) LIMA A140, 7/15/75

(C) CRISLER - FULLMER LETTER 7/25/75

1. SUMMARY: JUNTA SECRETARY JAVIER SILVA RUETE INQUIRED ABOUT POSSIBILITY OF INCREASED U.S. COOPERATION WITH ANDEAN ECONOMIC INTEGRATION PROGRAM. HE MENTIONED AN EARLIER AID OFFER TO FACILITATE A PROMOTIONAL PLAN. IN A MORE GENERAL WAY, SILVA RUETE EXPRESSED HOPE FOR U.S. ASSISTANCE IN (1) TRAINING PROGRAMS, PARTICULARLY IN TECHNOLOGY RELATED AREAS, (2) RATIONALIZATION OF EXISTING INDUSTRY, (3) IMPROVEMENT IN INFRASTRUCTURE, PARTICULARLY IN TRANSPORT AND ENERGY AND (4) IN AGRICULTURAL DEVELOPMENT.

HE INDICATED THAT FINANCING IS LESS OF A PROBLEM THAN THE APPLICATION OF APPROPRIATE U.S. KNOW-HOW TO ANDEAN DEVELOPMENT

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PROBLEMS. END SUMMARY.

2. ASSISTANCE FROM OTHER SOURCES: REPAIR A SUMMARIZED LEVELS AND PROCEDURES OF NON-U.S. ASSISTANCE. SUBSEQUENT TO THAT REPORT, CANADA MADE A GRANT OF \$988,000 AND HAS AN ADDITIONAL GRANT OF \$2,200,000 UNDER CONSIDERATION. ALSO UNDER NEGOTIATION ARE A THREE-YEAR GRANT FROM THE U.N. FOR \$3,000,000 AND A \$700,000 GRANT FROM THE IDB.

3. PETROCHEMICAL PROGRAM: DUE TO TURN-OVER IN ALL KEY POSITIONS IN JUNTA AND CAF AT END OF THIS YEAR (SILVA RUETE WILL PROBABLY MOVE UP TO BECOME A JUNTA MEMBER), PROMOTIONAL ACTIVITIES IN THE U.S. AND EUROPE WOULD NOT BE FEASIBLE UNTIL SECOND QUARTER OF 1976, EVEN THOUGH PETROCHEMICAL SECTORIAL PROGRAM IS EXPECTED TO BE APPROVED BY AUGUST 29. EUROPEAN COMMUNITY, WHICH HAS ALREADY OFFERED FINANCIAL SUPPORT FOR SEMINAR THIS FALL IN BRUSSELS, HAS BEEN INFORMED OF THIS. SILVA RUETA EXPRESSED THE HOPE THAT AID ASSISTANCE WOULD BE AVAILABLE IN PSUPPORT OF SEMINAR IN THE U.S. AROUND APRIL 1976.

4. TECHNOLOGY TRANSFER: SILVA RUETE ALSO REQUESTED U.S. COOPERATION IN TECHNICAL INFORMATION FIELD TO FACILITATE PREPARATION OF FEASIBILITY STUDIES. IN ADDITION TO MORE GENERAL COOPERATION IN SCIENCE AND TECHNOLOGY (SEE PROPOSAL IN REPAIR B), HE INQUIRED IF U.S. ASSISTANCE COULD BE EXTENDED THROUGH THE JUNTA TO BOLIVIA AND ECUADOR.

5. FINALLY, SILVA RUETE INQUIRED ABOUT PROSPECTS FOR U.S. TECHNICAL ADVICE ON ESTABLISHMENT OF DATA BANK AND INFORMATION TRANSMISSION SYSTEM AMONG THE MEMBER COUNTRIES.

6. ASSISTANCE MECHANISMS/ THE "CONSULTANTS AND SEMINARS" FUND COULD PROBABLY BE USED FOR FINANCING OF PROMOTIONAL SEMINAR IN THE U.S. AND FOR POSSIBLE SEMINARS IN ANDEAN COUNTRIES. REGARDING TECHNICAL ASSISTANCE, THE NEGOTIATION OF A "SPECIFIC SUPPORT GRANT" SHOULD BE CONSIDERED. IN ADDITION, SOME SHORT-TERM NEEDS OF THE JUNTA AND OF CAF COULD BE COVERED UNDER EXISTING AGREEMENTS BETWEEN AID AND PARTICIPATING USG AGENCIES. FOR EXAMPLE, ONE OF THE ISSUES RAISED BY SILVA RUETE CONCERNS KINKAGE OF COMPUTER SYSTEMS IN THE MEMBER COUNTRIES FOR TRANSMISSION OF IMPORT/EXPORT INFORMATION AND RELATED DATA. MISSION SUGGESTS THAT AID/W UNCLASSIFIED

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CONTACT MR. PIESER IN OFFICE OF INTERNATIONAL RELATIONS IN NATIONAL BUREAU OF STANDARDS TO SEE IF DR. JOSEPH HILSEN RATH COULD BE MADE AVAILABLE AS A SHORT-TERM CONSULTANT IN THIS FIELD TO THE JUNTA AND CAF.

7. CONSULUSION: JUNTA EXECUTIVES ARE INFORMALLY MAKING THE POINT THAT THERE IS NO ANTI-U.S. BIAS IN THE INTEGRATION PROGRAM AND THAT U.S. FIRMS WILL UNDOUBTEDLY PLAY A MAJOR ROLE IN THE

IMPLEMENTATION OF BOTH THE PETROCHEMICAL AND AUTOMOTIVE PROGRAMS.
EMBOFF WILL BE AT A MEETING WITH JUNTA MEMBERS ON AUGUST 15 AND
IT WOULD BE HELPFUL TO HAVE TENTATIVE RESPONSE REGARDING PROSPECTS
FOR ASSISTANCE BY THEAT DATE. IF RESPONSE IS POSITIVE, AID/W
GUIDANCE AND ASSISTANCE IN NEGOTIATIONS WILL BE APPRECIATED.
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